2005 profit and loss statement

	2005	2004	2005/2004	
Sales	**711 693**	**621 852**	**14.45%**	Increase in works of subsidiaries
Cost of products and services	(357 774)	(330 894)	8.12%	
Gross profit	**353 919**	**290958**	**21.64%**	Change in price of delivery contract to India поставочного контракта в Индию (replacement of Su-30K with Su-30MKI) with retention of total contract costs
Research and development costs	(8 179)	(11 731)	-30.28%	Planned decrease of research and development costs
Distribution expenses	(86 190)	(62 191)	38.59%	Increase in third-party services costs
Administrative expenses	(64 404)	(43 058)	49.57%	Production maintenance + administrative stuff of Beriev aircraft company + Increase in indirect labor costs + Currency translation costs
Taxes other than on income	(3 255)	(2 767)	17.64%	
Other operating expenses	(42 389)	(22 691)	86.81%	Yak-42 project research and development costs write-off + Social expenditures
Operating income	**149 502**	**148 520**	**0.66%**	Increase in operating expenditures of 43.5%.
Depreciation and amortization	(20 296)	(16 400)	23.76%	Planned increase in a Group + Group increased it's share in Beriev Aircraft up to 59% (full inclusion of financials in the consolidated statements)
EBITDA	***169 798***	***164 920***	***2.96%***	
Finance costs, net	(38 529)	(60 749)	-36.58%	Decrease in interest expenses + compensation of the part of interest expenses
Share in losses of associates	-	(260)	-100.00%	
Profit before tax	**110 973**	**87 511**	**26.81%**	Decrease in financial costs
Income taxes	(27 295)	(20 243)	34.84%	Retention in effective tax rate. Proportional increase to the increase in profit before tax
Minority interest income	1 149	1 102	4.29%	
Net income	**84 827**	**68 370**	**24.07%**	

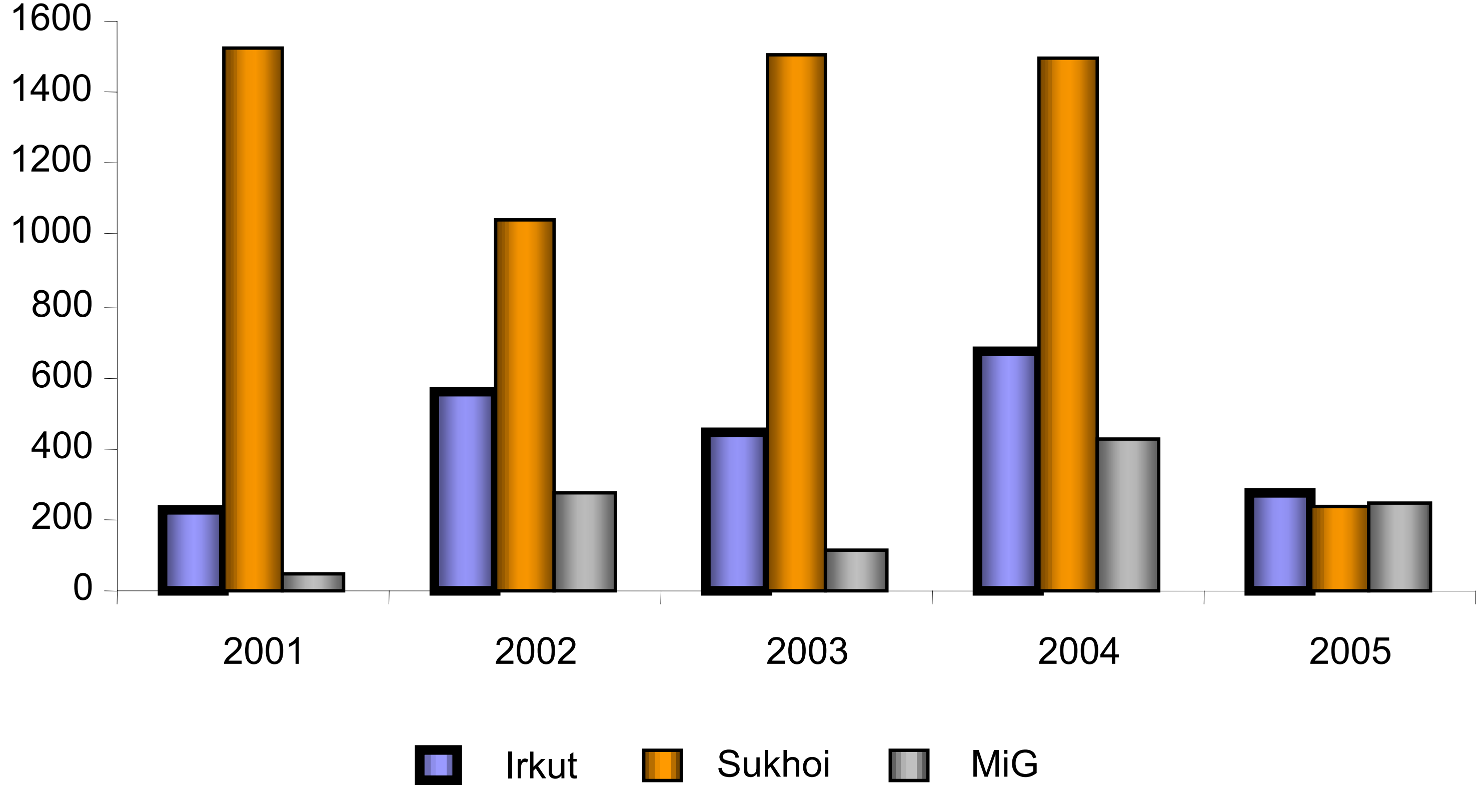
Balance sheet

	2005	2004	2005/2004	
ASSETS				
Non-current assets	**349 527**	**305 174**	**14.53%**	
Among others:				
Property, plant and equipment	201 921	182 565	10.60%	The Group acquired 15% of share capital of Beriev Aircraft Company. This acquisition effected Irkut's assets and liabilities
Intangible assets	128 852	92 775	38.89%	Research and development woks on Yak-130, A-50 and Be-103 projects
Current assets	**870 327**	**611 095**	**42.42%**	
Among others:				
Inventories	540 367	259 540	108.20%	Revenue recognized but advanced payment was not received in the reporting period
Accounts receivable, net	51 065	91 919	-44.45%	India cleared it's liability for delivery contract in full
Trade and other receivables	189 400	236 142	-19.79%	
Cash and cash equivalents	108 335	114 975		
Total assets	**1 219 854**	**916 269**	**33.13%**	
EQUITY AND LIABILITIES				
Equity	**(316 231)**	**(153 847)**	**105.55%**	
Among others:				
Capital stock	(103 811)	(93 438)	11.10%	New share issue in a favor of EADS
Share premium	(97 532)	(41 767)	133.51%	Difference between nominal and market price of shares placement
Accumulated losses	(115 661)	(16 163)	615.59%	Increase in net income + increase in assets and liabilities due to acquisition of 15% of Beriev Aircraft Company
Minority interest liability	**(39 640)**	**(18 547)**	**113.73%**	increase in assets and liabilities due to acquisition of 15% of Beriev Aircraft Company
Non-current liabilities	**(596 878)**	**(275 458)**	**116.69%**	
Long-term borrowings	(529 144)	(249 949)	111.70%	Optimization of debt portfolio
Deferred income tax liabilities, long-term	(67 734)	(25 509)	165.53%	Increase in net income + increase in assets and liabilities due to acquisition of 15% of Beriev Aircraft Company
Current liabilities	**(267 105)**	**(468 417)**	**-42.98%**	
Short-term borrowings	(75 880)	(272 231)	-72.13%	Optimization of debt portfolio
Trade and other payables	(191 225)	(186 356)	2.61%	
Total equity and liabilities	**(1 219 854)**	**(916 269)**	**33.13%**	

RAS results of main competitors in Russia

- Irkut became #1 military aircraft producer in 2005 with USD 278 mln according to RAS.
- Percentage-of-completion basis allowed by IFRS resulted in even higher revenue.

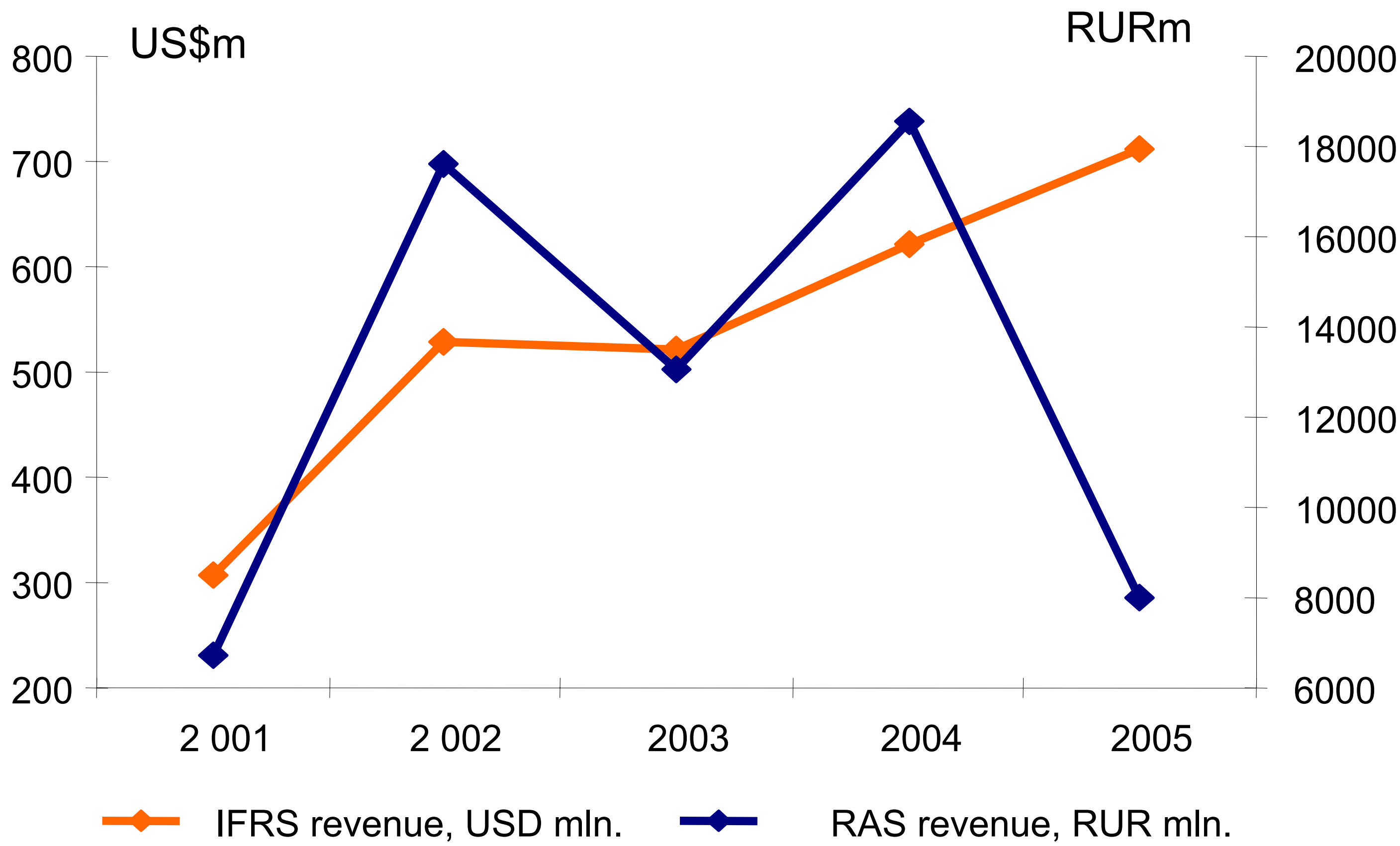
2001-2005 RAS revenue by Russian aircraft producers (US$m)



Source: Companies' annual reports; Jane's Defence News

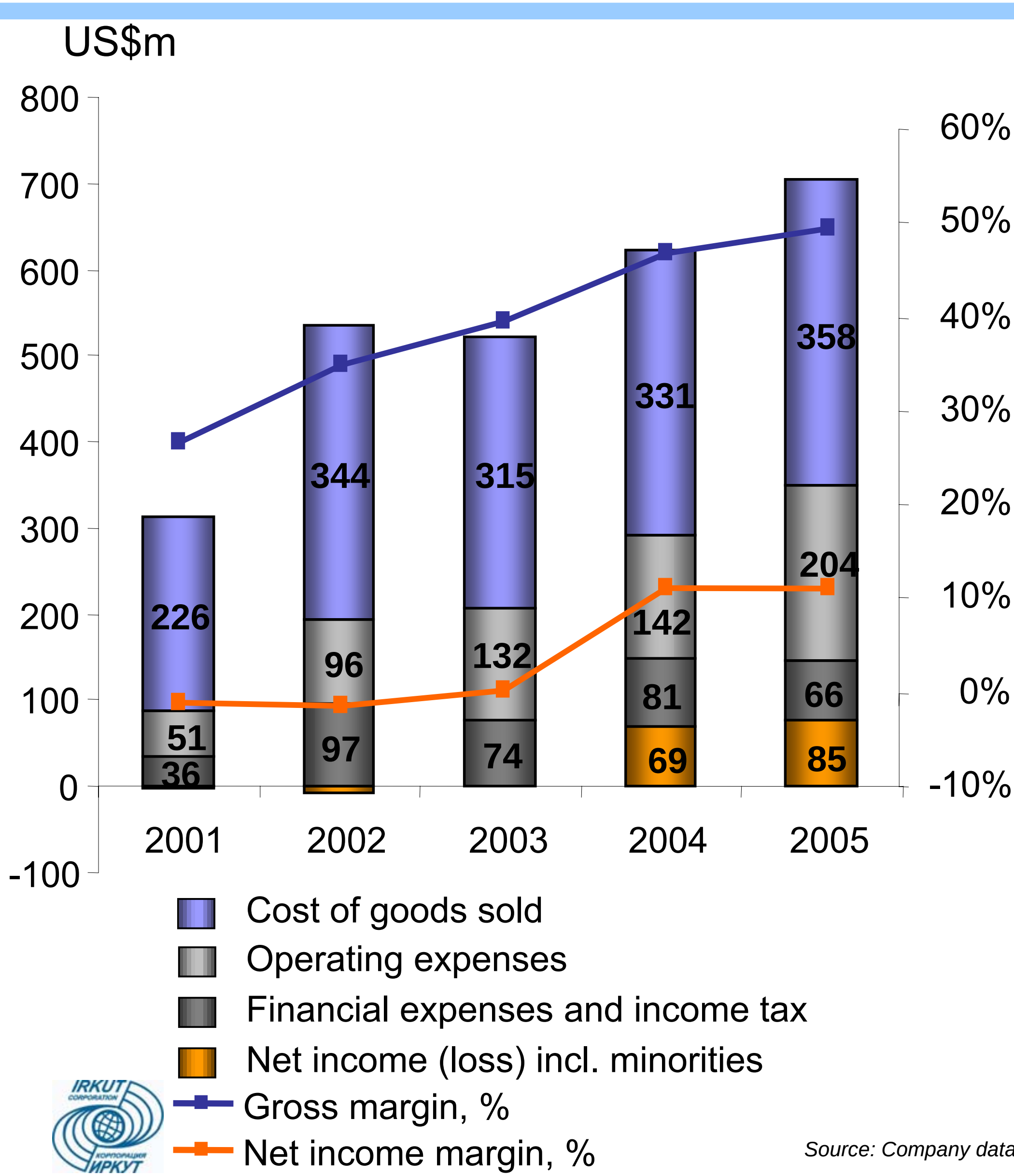
2001-2005 RAS and IFRS revenue comparison

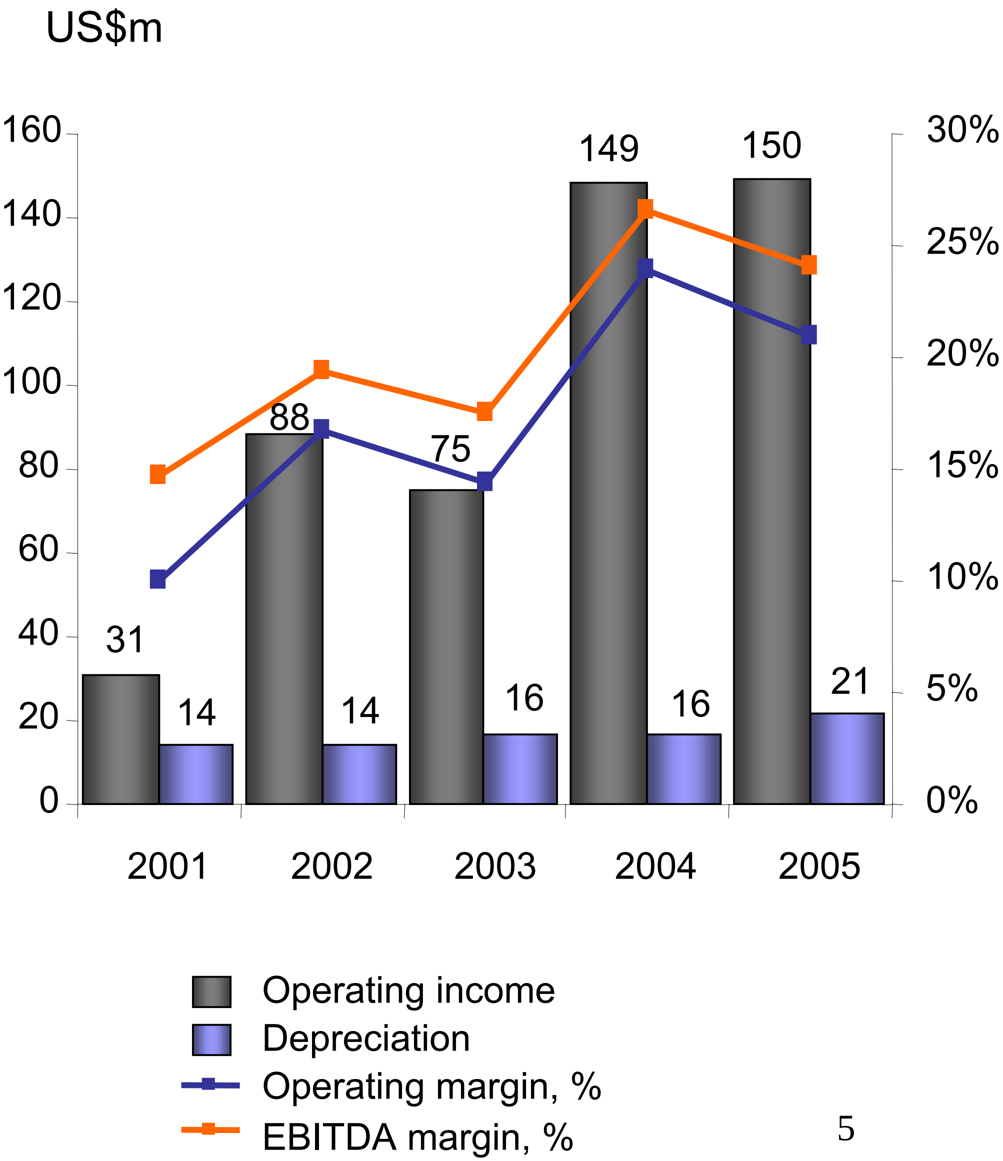
- IFRS represents our operations better. RAS recognizes revenue upon actual shipments. IFRS allows to recognize revenue upon the percentage-of-completion basis.
- Average operation cycle of Irkut corporation is more than one calendar year.
- Revenue volatility is avoided.



Source: Company data

2001-2005 revenue breakdown and other financial indicators



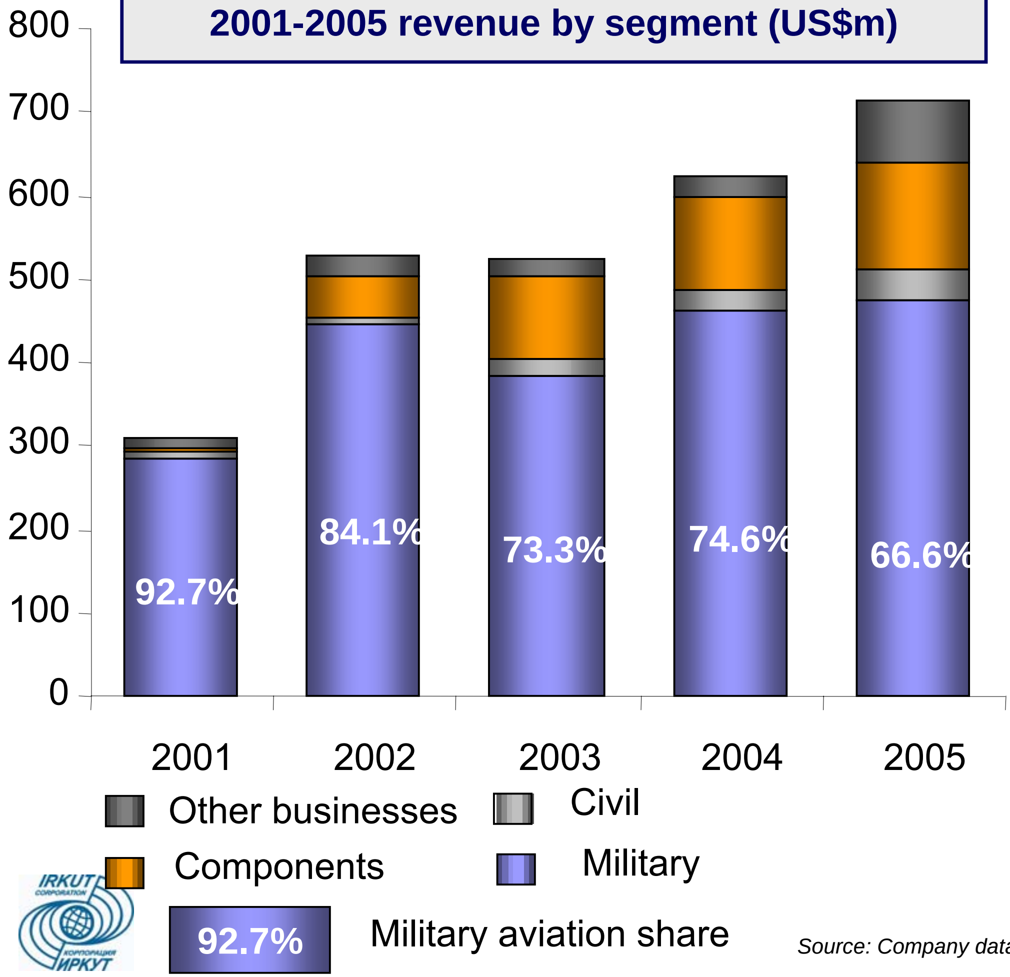


Source: Company data

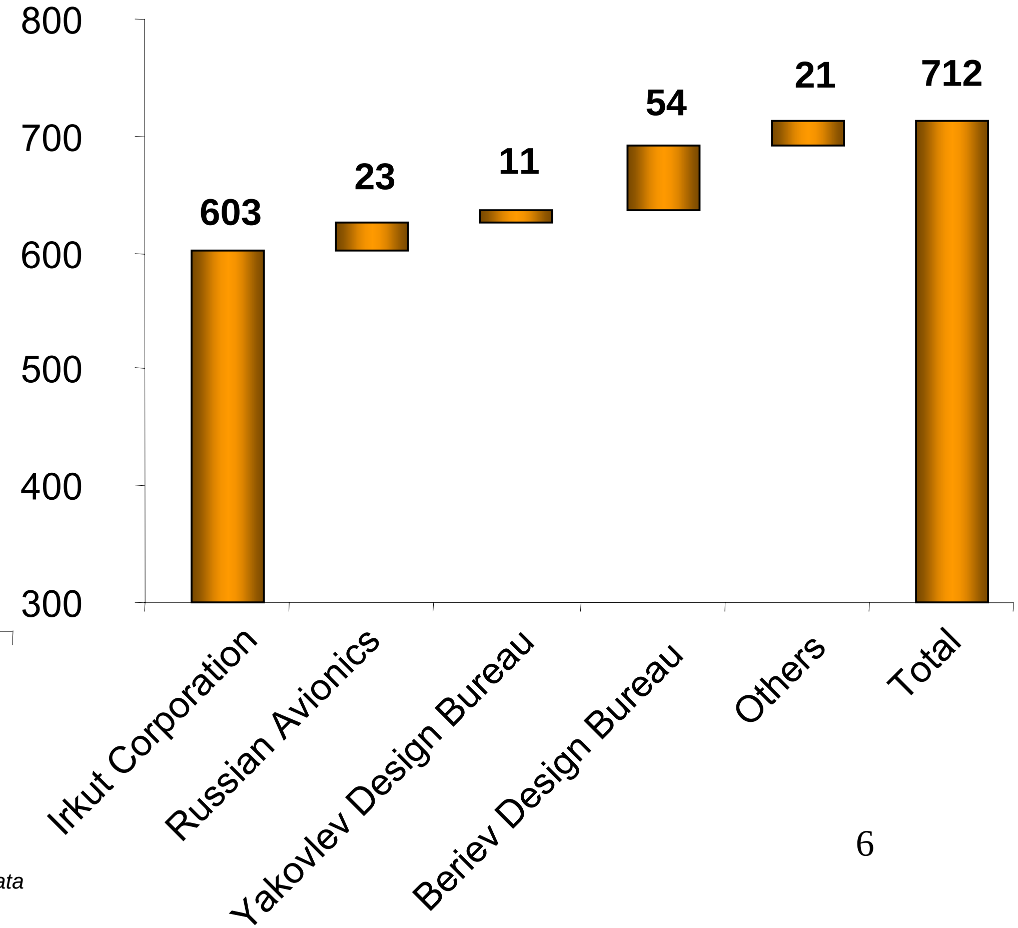
2001-05 revenue breakdown by business segments and 2005 by subsidiary

- Significant revenue improvement despite of US$ depreciation. More than 90% of revenue in 2000-2004 came from export contracts, signed in US$.
- Considerable revenue diversification. Military aviation share decreased from 92% in 2000 to 75% in 2004.

2001-2005 revenue by segment (US$m)



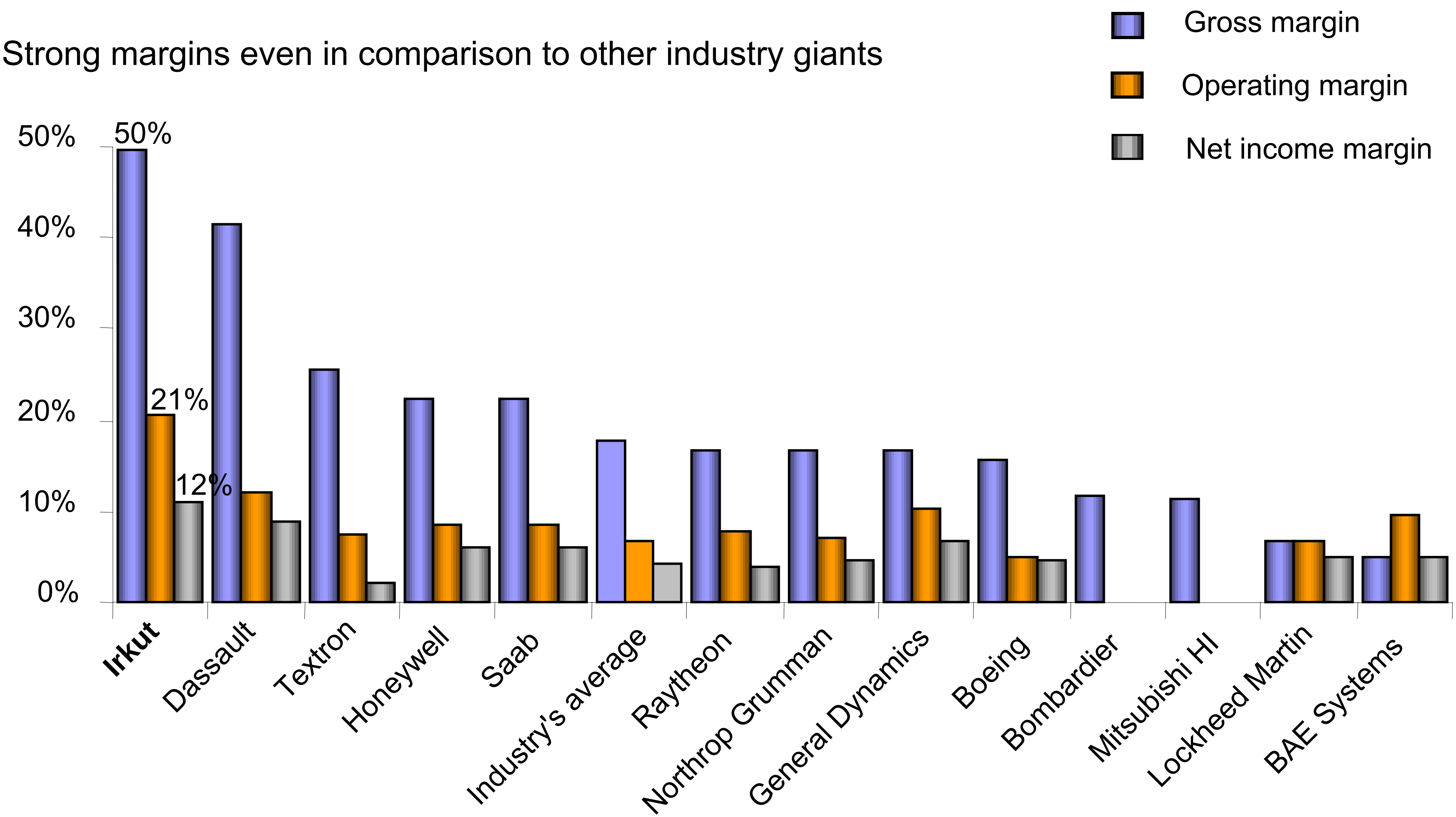
2005 revenue by subsidiary (US$m)



Source: Company data

2005 profitability comparison

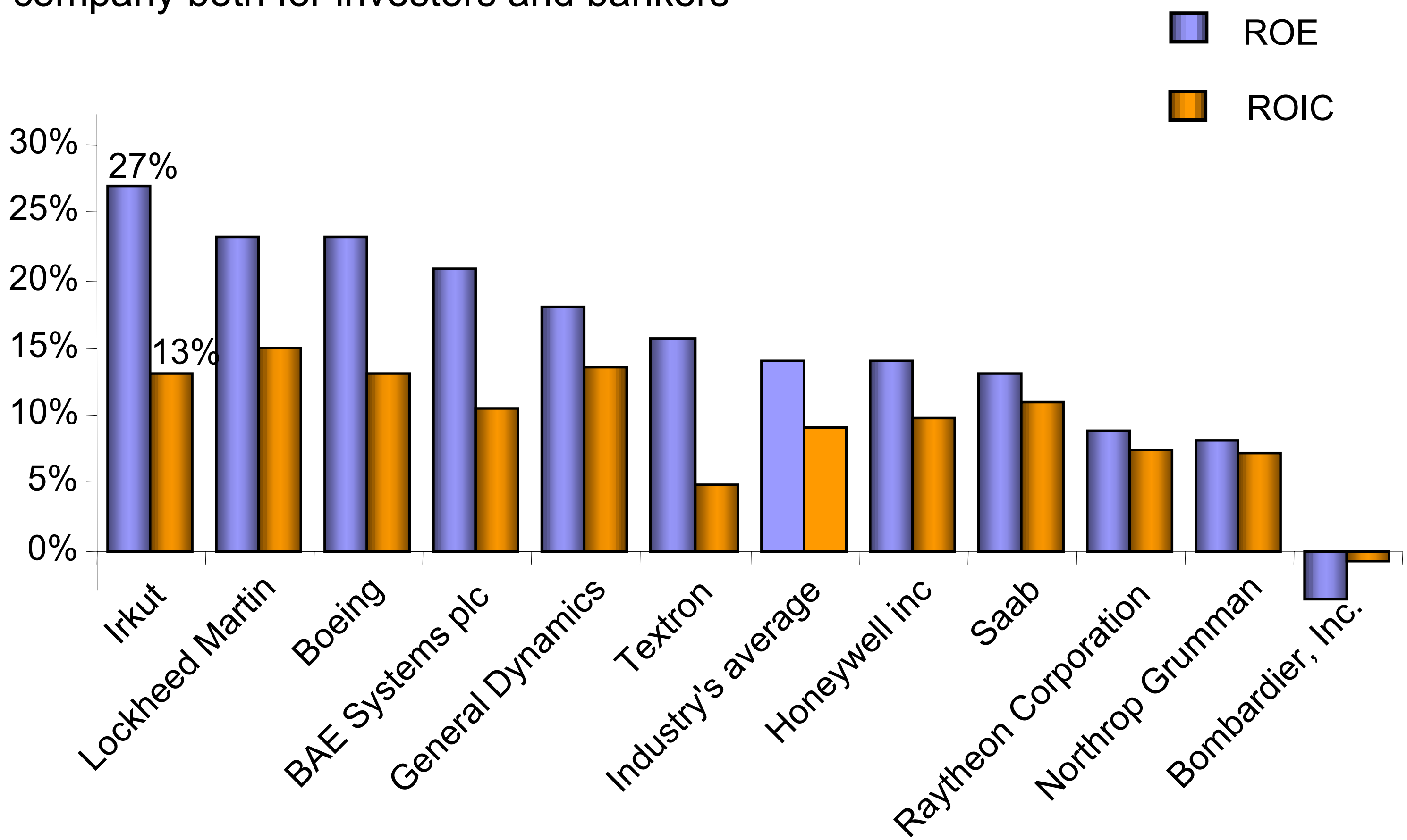
- Strong margins even in comparison to other industry giants



Source: Companies financial reports and projections

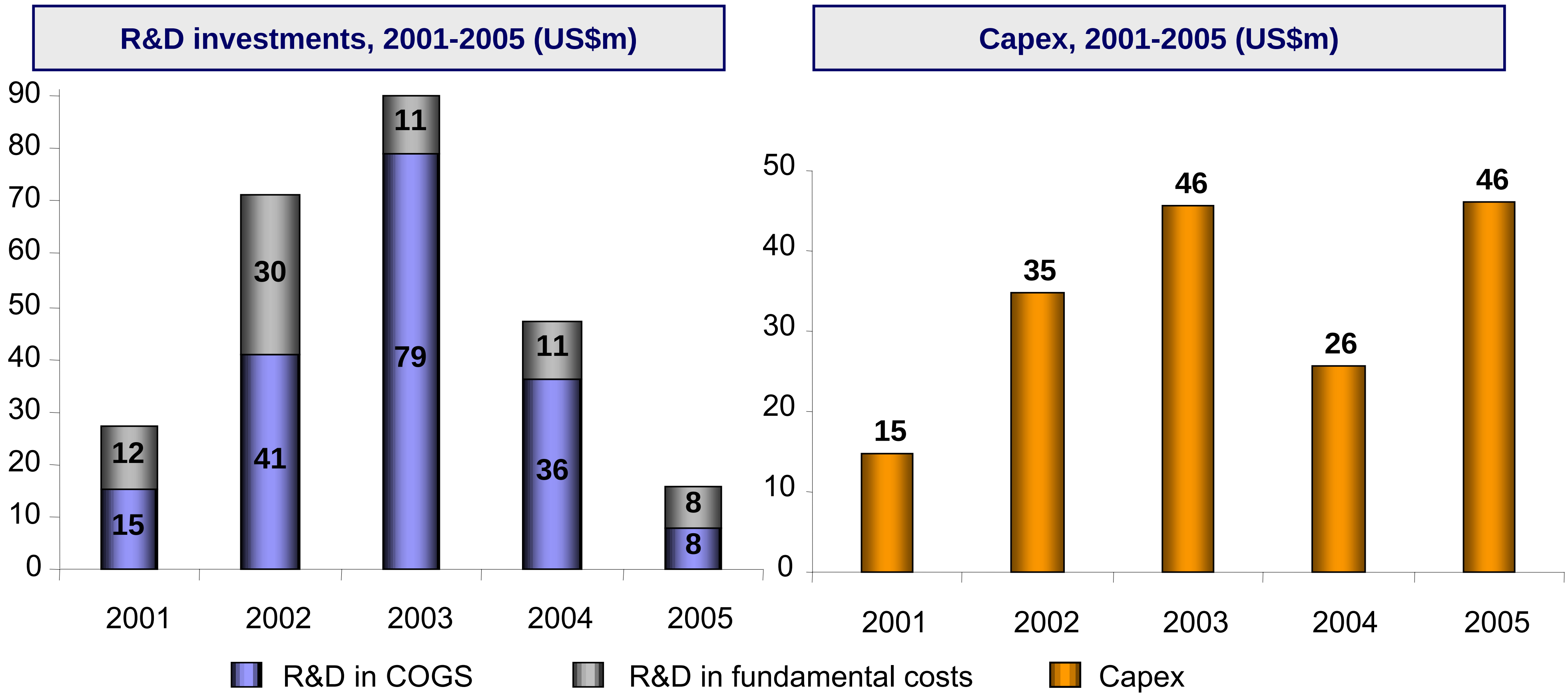
2005 effectiveness comparison

- Enviable capital return without regard whether it is called equity or debt
- Attractive company both for investors and bankers



Source: Companies Annual Reports

2005 R&D investments and Capex breakdown



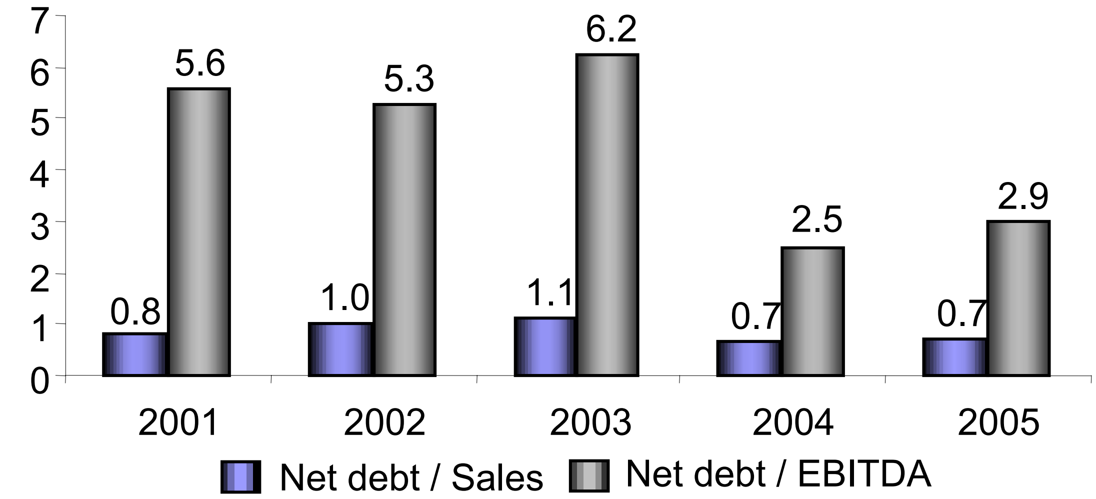
- Significant expenses in 2002-2004. Actively development of five main products. As the product moves to the stage of mass production, R&D expenditures decrease, while sales increase
- In 2004 we started to decrease R&D costs, which will positively influence our financial statements in future
- Capex to be kept at a high level due to modernization of workshops in a favor of EADS

Target debt ratios achieved in 2005

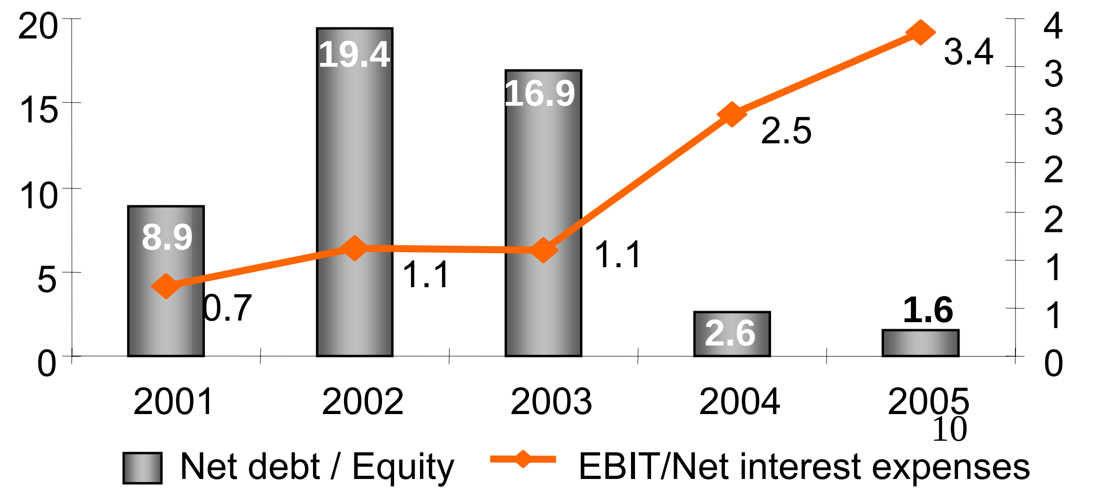
Irkut's financial strategy:

- To finance corporate growth with conservative use of loans creates optimal conditions
- To maintain the debt rate at 3.0-3.5x of EBITDA, 0.5-0.6x of sales, 1.5-2.0x of Equity and keep the EBIT/Net interest expenses ratio at a rate not lower than 2.0-2.2x
- To utilize cash inflow from operations as main source of business development
- To continue optimization and diversification of debt portfolio by using different sources of financing, including shareholders capital, banks loans and credits, bonds, Eurobonds (planned for 2006), and other instruments

Net debt / Sales and Net debt / EBITDA



EBIT/ Net interest expenses and Net debt/Equity



Source: Company data

Multiples analysis

		2005	2004	2005/2004	Up/Down
Debt analysis	Net debt	(496 689)	(407 205)	21.98%	
	Debt/sales	0.70	0.65	6.58%	
	Debt/EBITDA	2.93	2.47	18.47%	
	EBIT/Interest expenses	3.35	2.51	33.73%	
	Debt/equity	1.57	2.65	-40.66%	
Effectiveness	ROE (Weighted average equity)	26.82%	44.44%	-39.64%	
	ROA	6.95%	7.46%	-6.81%	
	ROIC	12.94%	16.55%	-21.81%	
	Effective tax rate	24.60%	23.13%	6.33%	
Operating performance	Asset Turnover	0.58	0.68	-14.04%	
	Receivables Turnover	3.76	2.63	42.69%	
	Inventory Turnover	-0.66	-1.27	-48.07%	
	Paybles Turnover	1.87	1.78	5.37%	
Liquidity	Cash ratio	40.56%	24.55%	65.24%	
	Quick ratio	67.85%	44.26%	53.30%	
	Current ratio	325.8%	130.5%	149.76%	